Selection of places for electronic exchanges

2823. SHRI SUNIL BASU RAY: Will the Minister of COMMUNICATIONS be pleased to state the details of the basis of selecting the places to have electronic exchanges?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI GIRIDHAR GOMANGO): So far electronic equipment for MAX-I exchanges was, generally, allotted in the capacity range of 5000 lines and above. Because of the limited production, such exchanges were generally being allotted in the Metro, Major and Minor Telecom. Districts, and in some Big Towns in the Telecom Circles where the demand is in the range of 5000 lines. Electronic equipment in the range between 2000 and 4000 lines is expected to be indigenously available during the 8th Plan. Hence electronic exchanges are also being allotted to some stations in this range in the Telecom Circles. Medium and small capacity electronic exchanges are being allotted in replacement of MAX-II and MAX-III in Integrated Digital Network scheme already identified for implementation in Seventh Plan. Due to limited production of electronic exchanges indigenously, the replacement of exchanges is planned in phases.

Problems of paper industry

2824. SHRI YALLA SESI BHUSHANA RAO: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the paper industry is experiencing acute shortage of waste-paper;

(b) whether it is a fact that Government had permitted the import of waste-paper pulp free of custom duty till 1986-87;

(c) whether it is a fact that the import of waste paper pulp has become incompetitive on account of the imposition of 15 per cent import duty on waste paper during 1987-88 and 1988-89; and

(d) what steps Government propose to take to save the industry from heavy losses and further sickness?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) No, Sir. Waste paper is available indigenously. Moreover, import of waste paper for the paper industry is also permitted under OGL.

(b) and (c) Import of waste paper was being allowed duty-free till 1986-87. An import duty of 19 per cent *ad valorem* (Basic) was levied on waste paper in 1987-88 which has been increased to 15 per cent in the Budget for 1989-90. In addition, an auxiliary duty of Customs at 5 per cent is applicable since 1988-89. With regard to pulp, a nominal import duty of 5 per cent has been announced in the Budget for 1989-90. There is no definite indication that the introduction of import duty has made import of waste paper uncompetitive.

(d) Various reliefs and concessions have been extended by Government to the Paper Industry to enable it to improve its capacity utilisation and financial viability. These include the following:

(i) Units commissioned between 1-4-79 and 31-3-1990 are exempted from excise duty upto 50 per cent for 5 years from the date of commencement of production.

(ii) Paper containing not less than 75 per cent by weight of pulp made from bagasse, raw jute and masta are exempted from excise duty.

(iii) Manufacture of paper and paper board by large|medium|small paper mills using unconventional raw materials, including waste-paper, is charged excise duty at concessional rates.